

**BOSSIER PARISH COMMUNITY COLLEGE
FOUNDATION, INC.
BOSSIER CITY, LOUISIANA
JUNE 30, 2011 AND 2010**

**HEARD
McELROY
& VESTAL**
— **LLP** —
CERTIFIED PUBLIC ACCOUNTANTS

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **FEB 15 2012**

BOSSIER PARISH COMMUNITY COLLEGE FOUNDATION, INC

BOSSIER CITY, LOUISIANA

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AUDITED FINANCIAL STATEMENTS

HEARD, McELROY, & VESTAL

LLC

CERTIFIED PUBLIC ACCOUNTANTS

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October 3, 2011

To the Board Members
Bossier Parish Community College Foundation, Inc
Bossier City, Louisiana

Independent Auditor's Report

We have audited the accompanying statements of financial position of the Bossier Parish Community College Foundation, Inc (a nonprofit organization) as of June 30, 2011 and 2010, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the management of the Bossier Parish Community College Foundation, Inc. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Bossier Parish Community College Foundation, Inc. as of June 30, 2011 and 2010, and the changes in its net assets and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 3, 2011, on our consideration of Bossier Parish Community College Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Heard, McElroy & Vestal, LLC

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BOSSIER PARISH COMMUNITY COLLEGE FOUNDATION, INC

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2011 AND 2010

<u>ASSETS</u>	<u>2011</u>	<u>2010</u>
<u>Current assets</u>		
Cash and cash equivalents	158,866	187,722
Restricted	43,734	2,751
Investments-Notes 3 and 4	466,961	342,297
Contributions receivable-Note 8		
Unrestricted	3,080	4,731
Restricted	43,322	8,422
Due from BPCC-Note 10	<u>14,900</u>	<u>-</u>
Total current assets	<u>730,863</u>	<u>545,923</u>
 <u>LIABILITIES AND NET ASSETS</u>		
<u>Current liabilities</u>		
Accounts payable	6,008	-
 <u>Net assets</u>		
Unrestricted	302,557	165,334
Temporarily restricted	332,464	306,646
Permanently restricted	<u>89,834</u>	<u>73,943</u>
Total net assets	<u>724,855</u>	<u>545,923</u>
Total liabilities and net assets	<u>730,863</u>	<u>545,923</u>

The accompanying notes are an integral part of the financial statements

BOSSIER PARISH COMMUNITY COLLEGE FOUNDATION, INC

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2011

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<u>Revenue and other support</u>				
Contributions	33,887	172,816	-	206,703
Fund-raising	53,430	-	-	53,430
Dividends and interest income	10,470	-	1,599	12,069
Realized and unrealized gains	<u>72,377</u>	<u>-</u>	<u>14,292</u>	<u>86,669</u>
Total revenue and other support	170,164	172,816	15,891	358,871
Net assets released from restrictions	146,998	(146,998)	-	-
<u>Expenses</u>				
Program services				
Scholarships	134,662	-	-	134,662
Faculty and staff development	6,382	-	-	6,382
Chancellor's fund expense	<u>5,954</u>	<u>-</u>	<u>-</u>	<u>5,954</u>
Total program services	146,998	-	-	146,998
Supporting services				
Support projects	16,609	-	-	16,609
Postage and shipping	562	-	-	562
Office operations	8,466	-	-	8,466
Professional fees	6,024	-	-	6,024
Other	<u>1,280</u>	<u>-</u>	<u>-</u>	<u>1,280</u>
Total supporting services	<u>32,941</u>	<u>-</u>	<u>-</u>	<u>32,941</u>
Total expenses	<u>179,939</u>	<u>-</u>	<u>-</u>	<u>179,939</u>
Change in net assets	137,223	25,818	15,891	178,932
<u>Net assets at beginning of year</u>	<u>165,334</u>	<u>306,646</u>	<u>73,943</u>	<u>545,923</u>
<u>Net assets at end of year</u>	<u>302,557</u>	<u>332,464</u>	<u>89,834</u>	<u>724,855</u>

The accompanying notes are an integral part of the financial statements

BOSSIER PARISH COMMUNITY COLLEGE FOUNDATION, INC

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2010

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<u>Revenue and other support</u>				
Contributions	29,441	163,426	-	192,867
Lumina Foundation Grant	-	20,600	-	20,600
Fund-raising	1,358	-	-	1,358
Dividends and interest income	5,006	135	911	6,052
Realized and unrealized gains	<u>26,878</u>	<u>-</u>	<u>6,302</u>	<u>33,180</u>
Total revenue and other support	62,683	184,161	7,213	254,057
Net assets released from restrictions	162,452	(162,452)	-	-
<u>Expenses</u>				
Program services				
Scholarships	39,237	-	-	39,237
Lumina Foundation Grant	112,698	-	-	112,698
Faculty and staff development	5,196	-	-	5,196
Chancellor's fund expense	<u>5,321</u>	<u>-</u>	<u>-</u>	<u>5,321</u>
Total program services	162,452	-	-	162,452
Supporting services				
Support projects	13,365	-	-	13,365
Postage and shipping	923	-	-	923
Office operations	3,360	-	-	3,360
Professional fees	6,848	-	-	6,848
Other	<u>1,835</u>	<u>-</u>	<u>-</u>	<u>1,835</u>
Total supporting services	<u>26,331</u>	<u>-</u>	<u>-</u>	<u>26,331</u>
Total expenses	<u>188,783</u>	<u>-</u>	<u>-</u>	<u>188,783</u>
Change in net assets	36,352	21,709	7,213	65,274
<u>Net assets at beginning of year</u>	<u>128,982</u>	<u>284,937</u>	<u>66,730</u>	<u>480,649</u>
<u>Net assets at end of year</u>	<u>165,334</u>	<u>306,646</u>	<u>73,943</u>	<u>545,923</u>

The accompanying notes are an integral part of the financial statements

BOSSIER PARISH COMMUNITY COLLEGE FOUNDATION, INC

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
<u>Cash flows from operating activities</u>		
Changes in net assets	178,932	65,274
Adjustments to reconcile changes in net assets to net cash provided by operating activities		
Realized and unrealized loss on investments	(86,669)	(33,180)
Changes in operating assets and liabilities		
(Increase) in contributions receivable	(33,249)	(2,330)
(Increase) in accounts receivable	(14,900)	-
Increase in accounts payable	6,080	-
Total adjustments	<u>(128,738)</u>	<u>(35,510)</u>
Net cash provided by operating activities	50,194	29,764
<u>Cash flows from investing activities</u>		
Change in restricted cash and cash equivalents	(40,983)	(911)
Purchase of investments	(189,800)	-
Proceeds from sale of investments	<u>151,733</u>	<u>-</u>
Net cash (used) in investing activities	<u>(79,050)</u>	<u>(911)</u>
<u>Net increase in cash and cash equivalents</u>	(28,856)	28,853
<u>Cash and cash equivalents at beginning of year</u>	<u>187,722</u>	<u>158,869</u>
<u>Cash and cash equivalents at end of year</u>	<u>158,866</u>	<u>187,722</u>

The accompanying notes are an integral part of the financial statements

BOSSIER PARISH COMMUNITY COLLEGE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011 AND 2010

1. **Organization**

The Bossier Parish Community College Foundation, Inc (the Organization) is a Louisiana nonprofit corporation, which was incorporated on September 24, 1997. The activities provided by the Organization include education scholarships for students of Bossier Parish Community College and financial support to the college's faculty and staff.

2. **Summary of Significant Accounting Policies**

The significant accounting policies followed by the Organization and the methods of applying those policies which materially affect the determination of financial position, changes in financial position, or changes in net assets are summarized below.

Financial Statement Presentation:

Under generally accepted accounting principles, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of the governing board.

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that will be met either by the qualifying use of the assets and/or the passage of time.

Permanently restricted net assets – Net assets subject to donor-imposed stipulations that the assets be maintained permanently by the Organization.

Contributions:

In accordance with generally accepted accounting principles, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

Promises to Give:

Contributions that are unrestricted by the donor are recognized when the contribution is received. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

2. Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents:

The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The carrying value of cash and cash equivalents is stated at cost, which approximates fair value.

Bad Debts:

Bad debts are expensed when deemed uncollectible. Bad debts during the years ended June 30, 2011 and 2010 were \$687 and \$1,064, respectively.

Income Taxes:

The Foundation is exempt from income taxes as an organization described in Section 501(c)(3) of the Internal Revenue Code. The Foundation has been classified as an organization that is not a private foundation under Section 509(a). Accordingly, there is no provision for income taxes in these financial statements, however, the Foundation is required to file an annual information tax return.

The Foundation is required to review various tax positions it has taken with respect to its exempt status and determining whether in fact it continues to qualify as a tax-exempt entity. It must also consider whether it has nexus in jurisdictions in which it has income and whether a tax return is required in those jurisdictions. In addition, as a tax exempt entity, the Foundation must assess whether it has any tax positions associated with unrelated business income subject to income tax. The Foundation does not expect any of these tax positions to change significantly over the next twelve months. Any penalties related to late filing or other requirements would be recognized as penalties expense in the Foundation's accounting records.

The Foundation is required to file U.S. federal Form 990 for informational purposes. Its federal income tax returns for the tax years 2007 and beyond remain subject to examination by the Internal Revenue Service.

3. Investments

Investments are as follows:

	<u>2011</u>		<u>2010</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Unrestricted and temporarily restricted				
Regions fixed income mutual funds	89,684	94,244	63,688	68,859
Regions equity mutual funds	236,644	295,483	225,547	210,498
Permanently restricted				
Regions fixed income mutual funds	12,224	13,015	12,224	13,187
Regions equity mutual funds	<u>54,412</u>	<u>64,218</u>	<u>54,412</u>	<u>49,753</u>
	<u>392,964</u>	<u>466,960</u>	<u>355,871</u>	<u>342,297</u>

Return on investments is as follows:

	<u>2011</u>	<u>2010</u>
Interest and dividend income	12,069	5,917
Realized (losses)	(901)	-
Unrealized (losses)	<u>87,571</u>	<u>33,180</u>
Total investment return	<u>98,739</u>	<u>39,097</u>

4. **Fair Value Measurements**

Generally accepted accounting principles define fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. Under generally accepted accounting principles, a three-level fair value hierarchy was established that prioritizes the inputs used to measure fair value. This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows:

- Level 1 – Quoted prices in active markets for identical assets or liabilities
- Level 2 – Observable inputs other than the quoted prices included in level 1, such as quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data
- Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs

The Organization's mutual funds are valued at the net asset value of shares held at year end. The fair values of investments as of June 30, 2011 and 2010 are summarized in the table below:

<i>Assets at Fair Value as of June 30, 2011</i>				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual Funds				
Blended	34,528	-	-	34,528
Bond	107,259	-	-	107,259
Growth	171,784	-	-	171,784
International	56,236	-	-	56,236
Value	<u>97,153</u>	<u>-</u>	<u>-</u>	<u>97,153</u>
	<u>466,960</u>	<u>-</u>	<u>-</u>	<u>466,960</u>

<i>Assets at Fair Value as of June 30, 2010</i>				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual Funds				
Blended	32,819	-	-	32,819
Bond	82,046	-	-	82,046
Growth	116,647	-	-	116,647
International	40,142	-	-	40,142
Value	<u>70,643</u>	<u>-</u>	<u>-</u>	<u>70,643</u>
	<u>342,297</u>	<u>-</u>	<u>-</u>	<u>342,297</u>

5. Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes

	Net Assets at Beginning of Year	Increase	Decrease	Net Assets at End of Year
Lumina Foundation Grant	5,090	-	5,090	-
Encana Oil and Gas Grant	100,000	125,000	85,616	139,384
Scholarships	247,188	43,915	43,956	247,147
Library	628	-	-	628
Faculty and staff development	(47,352)	3,901	12,336	(55,787)
Telecommunications	<u>1,092</u>	<u>-</u>	<u>-</u>	<u>1,092</u>
Total temporarily restricted net assets	<u>306,646</u>	<u>172,816</u>	<u>146,998</u>	<u>332,464</u>

6. Permanently Restricted Net Assets

Permanently restricted net assets are available for the following purposes

	Net Assets at Beginning of Year	Increase	Decrease	Net Assets at End of Year
Bossier Healthcare Foundation	<u>73,943</u>	<u>15,891</u>	<u>-</u>	<u>89,834</u>

The Bossier Healthcare Foundation endowment requires that the original investment of \$60,000 be invested with the actual earnings of the principal balance used to fund the annual scholarship titled "Bossier Healthcare Foundation Scholarship "

7. Concentration of Credit Risk

The Organization maintains cash in bank deposits which, at times, may exceed federally insured limits. Cash accounts at each financial institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Cash was fully insured by the FDIC at June 30, 2011 and 2010. Nondeposit investment products, including mutual funds, are not guaranteed and are subject to investment risk, including possible loss of principal.

8. Donated Services

The Organization receives donated services from unpaid volunteers who assist in fund raising. No amounts have been recognized in the statements of activities because the criteria for recognition under generally accepted accounting principles have not been satisfied.

9. Contributions Receivable

Contributions receivable at June 30, 2011 and 2010 are as follows

Contributions expected to be collected in

	<u>2011</u>	<u>2010</u>
Less than one year	43,322	8,422
One to five years	<u>-</u>	<u>-</u>
Total contributions receivable	43,322	8,422
Less allowance for uncollectible receivables	<u>-</u>	<u>-</u>
Net contributions receivable	<u>43,322</u>	<u>8,422</u>

10. Related Party Transactions

During fiscal year ended June 30, 2011, the Foundation entered into a collaborative agreement with Bossier Parish Community College to loan the school up to \$17,000 in order to expedite the purchase of at least one van. The funds would come from unrestricted donations made to the Foundation, and the School would use donations collected from the "BPCC Van Project" Fund to repay the loan. In the event funds are not collected, Bossier Parish Community College will be liable for the difference. As of June 30, 2011, the amount due to the Foundation from the School is \$14,900.

11. Subsequent Events

In accordance with FASB Accounting Standards Topic 740 "Subsequent Events," the Foundation evaluated events and transactions that occurred after the statement of financial position but before the financial statements were made available for issuance for potential recognition or disclosure in the financial statements. The Foundation has evaluated such events through October 3, 2011 and noted on September 15, 2011, the Board of Directors voted to forgive the loan, made to Bossier Parish Community College, in the amount of \$14,900. The expenditures related to this transaction will be recognized in the fiscal year ended June 30, 2012.

OTHER REPORTS

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October 3, 2011

To the Board Members
Bossier Parish Community College Foundation, Inc
Bossier City, Louisiana

Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with Government Auditing Standards

We have audited the financial statements of Bossier Parish Community College Foundation, Inc. as of and for the year ended June 30, 2011, and have issued our report thereon dated October 3, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Bossier Parish Community College Foundation, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Bossier Parish Community College Foundation, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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This report is intended solely for the information and use of the Board of Directors and Management of Bossier Parish Community College Foundation, Inc and is not intended to be and should not be used by anyone other than these specified parties

Heard, McElroy & Vostal, LLC

BOSSIER PARISH COMMUNITY COLLEGE FOUNDATION, INC

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2011

A. Summary of Audit Results

- 1 The auditor's report expresses an unqualified opinion on the basic financial statements of Bossier Parish Community College Foundation, Inc
- 2 No significant deficiencies relating to the audit of the basic financial statements are reported
- 3 No instances of noncompliance material to the basic financial statements of Bossier Parish Community College Foundation, Inc were disclosed during the audit
- 4 Bossier Parish Community College Foundation, Inc was not subject to a Federal Single Audit for the year ended June 30, 2011

B. Findings - Financial Statement Audit

None

C. Findings and Questioned Costs - Major Federal Award Programs

Not applicable

BOSSIER PARISH COMMUNITY COLLEGE FOUNDATION, INC

SCHEDULE OF PRIOR AUDIT FINDINGS

FOR THE YEAR ENDED JUNE 30, 2011

There were no findings and questioned costs from the prior year